

MINUTES OF

THE RHODE ISLAND INDUSTRIAL-RECREATIONAL BUILDING AUTHORITY

Meeting #431 – May 23, 2006

PRESENT: Frank R. Benell -- Chairperson

Frances H. Gammell-Roach -- Vice Chairperson

Michael S. Imbruglia -- Member

Robert H. Luneberg -- Member

ABSENT: None

ALSO PRESENT: Earl F. Queenan, Jr. -- Manager

Alicia A. Pomfret -- Assistant Manager

Anthony J. Scolavino -- Sr. Financial Program Administrator

Claudine Tikoian -- Financial Program Manager

Thomas V. Moses, Esquire -- Legal Counsel

Natalie Jackvony, Esquire -- Legal Counsel

Robert C. Bromley -- Senate Fiscal Office

The meeting was held at One West Exchange Street, Providence, and

was called to order by Mr. Benell at 8:47 a.m.

Mr. Benell presented the Public Session and Executive Session Minutes of the Meeting of April 7, 2006. Following review and discussion, a motion to accept the Minutes as presented was made by Mr. Luneberg, was seconded by Mr. Imbruglia and was unanimously adopted. A roll call vote was held:

Mrs. Gammell-Roach – aye

Mr. Imbruglia – aye

Mr. Luneberg – aye

Mr. Benell – aye

Mr. Benell requested a motion to maintain the confidentiality of the Executive Session Minutes of the Meeting of April 7, 2006. Mr. Imbruglia motioned, Mr. Luneberg seconded, and the motion was approved unanimously. A vote by roll call was taken:

Mrs. Gammell-Roach – aye

Mr. Imbruglia – aye

Mr. Luneberg – aye

Mr. Benell – aye

Mr. Queenan presented the Watch List as of April 28, 2006. He noted that a check was received in the amount of \$99,971, representing the first yearly payment from Hans Dieter-Kobusch, a personal guarantor,

of the defaulted AKL FLEXO TECH-USA, LP. Mr. Moses reported that Dr. Paul Gunther Schemann is deceased. His wife and son have disavowed his obligations. He explained the procedure for making a claim against the estate of a deceased party under German Law. Mr. Moses told the Board that an offer of \$50,000 was verbally presented to him by Andrew Richardson, Legal Counsel, on behalf of Thomas Frater, in connection with Mr. Frater's personal guarantee. Mr. Moses then discussed ULTRA FINE POWDER TECHNOLOGY. Following this, a motion by

Mrs. Gammell-Roach was made, was seconded by Mr. Luneberg, and was approved unanimously to accept the Watch List as presented. A roll call vote was held:

Mrs. Gammell-Roach – aye

Mr. Imbruglia – aye

Mr. Luneberg – aye

Mr. Benell – aye

Mr. Queenan presented the Portfolio Report dated April 28, 2006. After review and discussion, a motion to accept the report as submitted was made by Mr. Imbruglia, was seconded by Mr. Luneberg, and was unanimously approved. A vote by roll call was taken:

Mrs. Gammell-Roach – aye

Mr. Imbruglia – aye

Mr. Luneberg – aye

Mr. Benell – aye

Mr. Queenan presented, under administrative matters, the Authority's internally prepared financial statements for the ten months ended April 30, 2006. After his review of the statements, he informed the Board that the Authority will have a new audit firm this year. The Rhode Island Economic Development Corporation performed the bid process and the bid was awarded to the firm of Prescott Chatellier Fontaine Wilkinson, LLP.

At 8:58 a.m., Mr. Benell declared that he would entertain a motion to adjourn to Executive Session and that an affirmative vote of a majority of the members is required. In accordance with §42-46-4 of the Rhode Island General Laws, a portion of the meeting will be held in Executive Session to consider and take appropriate action on such matters as permitted by subsection (5) (acquisition or lease of real property for public purposes or disposition of publicly held property), subsection (6) (location of prospective businesses in Rhode Island), or subsection (7) (investment of public funds) of Rhode Island General Laws, Section 42-46-5(a), the Open Meetings Law. Mr. Luneberg motioned to enter into Executive Session, Mrs. Gammell-Roach seconded, and a vote was taken:

Mrs. Gammell-Roach – aye

Mr. Imbruglia – aye

Mr. Luneberg – aye

Mr. Benell – aye

At this point, Mr. Bromley left the meeting.

At 9:37 a.m. Mr. Benell requested a motion to return to Open Session, and noted that an affirmative vote of a majority of the members is required in accordance with §42-46-4 of the Rhode Island General Laws. Mrs. Gammell-Roach motioned to return to Public Session, Mr. Luneberg seconded, and a vote was taken.

Mrs. Gammell-Roach – aye

Mr. Imbruglia – aye

Mr. Luneberg – aye

Mr. Benell – aye

Mr. Bromley returned to the meeting at this time.

In accordance with §42-46-4 of the Open Meetings Law of the General Laws of the State of Rhode Island, the Board revisited the votes taken during Executive Session. A motion was made by Mrs. Gammell-Roach, was seconded by Mr. Luneberg, and was unanimously adopted to ratify the following votes made during the Executive Session:

On behalf of ITEM REALTY II, LLC, to issue a Resolution of Approval,

a copy of which is attached to the Executive Session Minutes and maintained therein.

On behalf of THE NEW ENGLAND EXPEDITION-PROVIDENCE I LLP to amend the original Resolution of Approval to include the level surface parking project, and to amend the original mortgage insurance amount to \$5,000,000.

There being no other business to discuss, Mr. Benell requested a motion to adjourn.

Mrs. Gammell-Roach made a motion to adjourn, Mr. Luneberg seconded, and it was unanimously approved to end the meeting.

The meeting adjourned at 9:38 a.m.

Respectfully submitted,

Alicia A. Pomfret

Assistant Manager & Assistant Secretary